GOVERNMENT OF INDIA
PETROLEUM AND NATURAL GAS
LOK SABHA

STARRED QUESTION NO:237
ANSWERED ON:07.12.2006
SHORTAGE OF LNG
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Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

(a) the details of the demand and supply position of Liquefied Natural Gas (LNG) in the country, State-wise;

(b) the quantum of LNG imported during each of the last three years;

(c) whether there is a shortage of Liquefied Natural Gas (LNG) in the country; and

(d) if so, the steps taken to meet the LNG demand?

Answer

MINISTER OF THE STATE IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI MURLI DEORA)

(a) to (d) A statement is laid on the Table of the House.

STATEMENT REFERRED TO IN REPLY TO PARTS (a) TO (d) OF THE LOK SABHA STARRED QUESTION NO. 237 BY S/SHRI P.C. THOMAS AND BASUDEB ACHARIA, MPs, TO BE ANSWERED ON 7.12.2006 REGARDING SHORTAGE OF LNG

(a) One of the sources of natural gas is Liquefied Natural Gas, which is imported in liquid form and then regasified before use. The demand for Regasified Liquefied Natural Gas (RLNG) is not assessed separately. It depends on the total demand for natural gas in the country.The demand for natural gas for 2007-08 has been estimated at 179.27 MMSCMD, whereas the domestic production is estimated at 70.54 MMSCMD. The deficit could be made up by import of LNG. The installed capacity of LNG terminals in the country is 7.5 MMTPA, which can supply about 27 MMSCMD of natural gas.

(b) There are two LNG terminals in operations, namely 5 MMTPA Dahej LNG Terminal of Petronet LNG Ltd. (PLL) and 2.5 MMTPA Hazira Terminal of M/s Hazira LNG Private Ltd. (HLPL). Yearwise LNG imports made by PLL from 2003-04 to 2005-06 are as under:

Year	LNG imported (MMTPA)
2003-04	0.062
2004-05	2.43
2005-06	4.81

In addition, HLPL imported 0.171 MMTPA LNG during 2005-06.

(c)&(d) : There is a large gap between demand and supply of natural gas in the country.The Government of India has adopted a multi-pronged strategy to augment supplies and to bridge the gap between supply and demand for the domestic market through

(a) Intensification of domestic Exploration & Production activities under New Exploration Licensing Policy (NELP).

(b) Exploitation of unconventional gas, like Coal Bed Methane (CBM).

(c) Implementation of Natural Gas Hydrate Programme (NGHP) for evaluation of hydrate resources and their possible commercial exploitation.

(d) Import of gas as LNG, and also through transnational gas pipelines.

To cater to larger LNG imports, additional LNG infrastructure is being created.The capacity of Dahej terminal is being expanded from 5 MMTPA to 10 MMTPA by 2008-09. Dabhol LNG terminal with a capacity of 5 MMTPA is expected to become fully operational by 2009-10. The 2.5 MMTPA capacity Kochi LNG terminal, with provision for expansion up to 5 MMTPA, is expected to be commissioned in 2010.

The companies concerned are holding discussions with various potential LNG suppliers in different countries, such as Australia, Algeria, Malaysia, Qatar, Nigeria and Myanmar for import of LNG.